

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE**

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In re:	)	Chapter 11
JAB Energy Solutions II, LLC	)	Case No. 21-11226 (CTG)
Debtor. <sup>1</sup>	)	<b>Related to Docket Nos. 27, 47, 80</b>
	)	

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**OFFICIAL COMMITTEE OF UNSECURED  
CREDITOR'S LIMITED STATEMENT IN SUPPORT OF DEBTOR'S MOTION FOR  
ENTRY OF FINAL ORDER (I) AUTHORIZING THE DEBTOR TO (A) OBTAIN  
POSTPETITION FINANCING AND (B) UTILIZE CASH COLLATERAL, (II)  
GRANTING ADEQUATE PROTECTION TO PREPETITION SECURED LENDERS,  
(III) MODIFYING THE AUTOMATIC STAY; AND GRANTING RELATED RELIEF**

The Official Committee of Unsecured Creditors (the “Committee”) appointed in the above-captioned case files, through its undersigned counsel, this limited response in support of the financing motion [Docket No. 27] (the “DIP Motion”) filed by JAB Energy Solutions II, LLC (the “Debtor”) and entry of the proposed final order (the “Proposed Final Order”) approving the DIP Motion attached as Exhibit A to the Debtor’s Reply in Support of the DIP Motion [Docket No. 80] (the “Debtor’s Reply”).

Immediately upon the formation of the Committee and the selection of counsel, the Committee has engaged and continues to engage in extensive and continuing discussions by and among the Committee, the Debtor, and the Prepetition Lenders<sup>2</sup> regarding myriad issues. Chief among the issues under constant discussion has been the relief sought in the DIP Motion and the terms of the interim order approving the DIP Motion [Docket No. 47] (the “Interim Order”). Following entry of the Interim Order, the Committee promptly provided a “DIP Issues List” to the

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<sup>1</sup> The last four digits of the Debtor’s U.S. tax identification number are 3625. The Debtor’s mailing address is 19221 I-45 South, Suite 324, Shenandoah, TX 77385.

<sup>2</sup> Capitalized terms used but not defined herein shall have the meanings set forth in the DIP Motion or the Interim Order (as defined below), as applicable.

Debtor, DIP Lender, and Prepetition Lenders. The “DIP Issues List” set forth numerous objections and points of concern, as well as proposed changes relating to the terms of the DIP Financing and the final order originally proposed. Following a substantial arms’ length negotiation, the Committee worked in concert with the Debtor, DIP Lender, and Prepetition Lenders to reach agreement on the terms of the Proposed Final Order.

In particular, the Committee successfully advocated for, *inter alia*, (i) a carveout of all Chapter 5 claims and associated proceeds from (a) the DIP Collateral, (b) collateral subject to Adequate Protection Liens, and (c) any recovery on account of a superpriority administrative claim; (ii) the update and revision of the DIP Budget to include additional funding the Committee and more precise detail regarding receipts and disbursements; (iii) an expansion of the Challenge Period for the Committee from sixty (60) to ninety (90) days from formation of the Committee; (iv) inclusion of the Committee as a notice party for variance reporting by the Debtor; (v) inclusion in the Carveout of an amount not to exceed \$50,000 in the aggregate for the Debtor’s and Committee’s professionals following the Termination Date; and (vi) a limitation upon the waiver of the right to surcharge under Section 506(c) to expenses incurred or paid by the Debtor’s estate prior to the Termination Date.

In light of the concessions and modifications made in conjunction with the finalization of the terms of the DIP Financing and the proposed final Order, and for the reasons set forth in the Debtor’s Reply, the Committee fully supports entry of the Proposed Final DIP Order.

Dated: October 24, 2021

*Respectfully submitted,*

/s/ Michael J. Joyce

Michael J. Joyce (No. 4563)  
JOYCE, LLC  
1225 King Street, Suite 800  
Wilmington, Delaware 19801  
Tel (302) 388-1944  
[mjoyce@mjlawoffices.com](mailto:mjoyce@mjlawoffices.com)

*Co-Counsel for the Official Committee of  
Unsecured Creditors*

-and-

**LUGENBUHL, WHEATON, PECK, RANKIN  
& HUBBARD**

Benjamin W. Kadden, Esq.\*  
Stewart F. Peck, Esq.\*  
Alicia M. Bendana, Esq.\*  
Coleman L. Torrans, Esq.\*  
601 Poydras St., Ste. 2775  
New Orleans, Louisiana 70130  
Telephone: (504) 568-1990  
Facsimile: (504) 310-9195  
Email: [bkadden@lawla.com](mailto:bkadden@lawla.com)  
[speck@lawla.com](mailto:speck@lawla.com)  
[abendana@lawla.com](mailto:abendana@lawla.com)  
[ctorrans@lawla.com](mailto:ctorrans@lawla.com)

\* Admitted *Pro Hac Vice*

*Counsel for the Official Committee of Unsecured  
Creditors*